

G.L. c. 32A

Section 8: For policies of group life insurance and accidental death and dismemberment insurance, and group health insurance purchased by the commission in accordance with the provisions of sections four, five and ten C, the commonwealth, on behalf of active and retired employees and their dependents, shall contribute no less than seventy-five per cent of the total monthly premium or rate applicable to said coverages and the active and retired employees on behalf of themselves or themselves and their dependents shall contribute the remaining twenty-five per cent of the total monthly premium or rate, except, that upon approval by way of an annual, or more frequent appropriation act, the commonwealth may contribute more than seventy-five per cent but less than the entire total monthly premium or rate. Each appropriation act as may be applicable, shall provide the necessary sum based upon the estimated monthly cost as required by section four and shall describe the ratio of contribution to be paid by the commonwealth and by the active and retired employees insured under the aforesaid sections. The description of the ratio may include a condition that if, as a result of a change in the total monthly premium or rate which occurs during the current or ensuing fiscal year from a change in a contract between the commission and the insurance carrier or carriers, the amount of the contribution paid by the active and retired employee and dependents is to remain unchanged and the difference in the amount thus paid and the total monthly premium or rate as changed is to be added to, or deducted from as the case may be, the contribution by the commonwealth. The aforesaid ratio shall continue until changed by a subsequent appropriation act and the aforesaid sum shall also include the commonwealth's contribution of the total monthly premium or rate required for coverages contained in other sections of this chapter as such contribution is provided in said sections.

With respect to any period of insurance authorized by this chapter which is in effect for an active employee and dependent, there shall be withheld from each payment of salary or wages no more than twenty-five per cent of the aforesaid total monthly premium or rate, or, there shall be a lesser amount as provided in the most recent applicable appropriation act. With respect to any period of insurance authorized by this chapter which is in effect for a retired employee and dependent, there shall be withheld from each payment of pension or retirement allowance no more than twenty-five per cent of the aforesaid total monthly premium, or, there shall be withheld a lesser amount as provided in the most recent applicable appropriation act. The commonwealth shall contribute a share of any additional premium which may be required for coverage of an employee's dependent child who is nineteen years of age or over and mentally or physically incapable of earning his own living, such share equalling the same ratio as that paid on behalf of an active or retired employee and dependent.

If an employee is entitled to receive, during a calendar month, salary, wages or other compensation and the premium has not been withheld from said salary, wages or other compensation, he may continue his insurance in effect by paying directly to the commission the premium which would otherwise have been deducted from his salary, wages or other compensation. If an employee is not entitled to receive salary, wages or other compensation for a calendar month, he shall for the purposes of this chapter be deemed to have been granted a leave of absence without pay and shall make payment for the entire total monthly premium or rate of his insurance to the commission as

aforesaid and there shall be no contribution by the commonwealth for such employee's insurance. If an employee has been granted a military leave of absence because said employee is a member of the army national guard or air national guard, or a reservist in the armed forces of the United States called to active service in the armed forces of the United States subsequent to August second, nineteen hundred and ninety, for purposes of this chapter he shall be deemed to have been granted leave without pay, and subject to the rules and regulations of the commission, said employee shall make payment of the portion of the total monthly premium or rate that would otherwise have been deducted from his salary, wages or other compensation. If an employee is not entitled to receive salary, wages or other compensation for any calendar month, due to illness of such employee and not because of illness of his immediate family, for purposes of this chapter he shall be deemed to have been granted sick leave without pay, and subject to the rules and regulations of the commission, said employee shall make payment of the portion of the total monthly premium or rate that would have otherwise been deducted from his salary, wages or other compensation. For purposes of this section, the term "active service" shall not include active duty for training in the army national guard or air national guard or as a reservist in the armed forces of the United States.

All amounts withheld from an employee's salary or wages as provided in this section and all amounts withheld from pensions or retirement allowances under the provisions of section 19 of chapter 32 shall be forwarded by the department, institution, or other agency responsible for the payment of employee salaries and wages or pensions and retirement allowances to the commission. All amounts withheld from the optional retirement plans of participating retirees pursuant to section 40 of chapter 15A shall be forwarded directly to the commission by the optional retirement program plan providers. The commission may place all such amounts withheld or paid directly in interest bearing accounts. Any current and future interest earned on such amounts shall be deposited by the commission in the group insurance commission trust fund and maintained separately as a special account subject to the terms of investment and expenditure as provided in section 9A. Such interest shall not be classified under section 9 as a dividend, its equivalent or other refund or rate credits. A statement of all funds so placed, any current and future interest earned thereon, and the purposes for which such interest is expended shall be included in the annual report of the commission as required by section 3. The Massachusetts Parking Authority, the metropolitan area planning council, the Montachusett regional planning commission, the central Massachusetts regional planning district commission, the Massachusetts State College Building Authority, Worcester county, the county cooperative extension service of Suffolk county, local housing authorities and redevelopment authorities, and all other non-state-funded agencies and authorities shall reimburse the commonwealth for all contributions made on behalf of their employees and retirees including the applicable administrative expense as determined by the commission. The commission, from funds appropriated therefor, may empower the executive director to authorize payment of the contribution of the commonwealth as provided above, which, together with the employee and retiree payments, shall be paid at least once each month to the carrier or carriers entitled to the total monthly premium.

Every department, board, or agency of the commonwealth shall, on or before August first of each year, file with the commission a true copy of all existing contracts or agreements of every nature and description with the commonwealth or a political

subdivision of federal, trust and any other nonstate funds. For contracts or agreements entered into on and after July first of each year, true copies shall be filed with the commission no later than sixty calendar days from the effective date thereof. If a secretariat, department, board or agency fails to file a copy of such contract, or fails to respond to a reasonable inquiry by said commission, the commission shall provide a fair hearing to the head of the operating agency to determine the justification for noncompliance. Upon continued failure by the secretariat, department, board or agency head to provide the requested data and information, the commission may vote to withhold payment of the commonwealth's share of the insurance premium applicable to the insured employees of the agency and all such employees only for purposes of payment of insurance premiums, shall be deemed to be absent without pay and shall make payment of the required premiums as provided in this section.

FY12 Budget (Acts of 2011, Ch. 68, Sec. 2)

...1108-5200

For the commonwealth's share of the group insurance premium and plan costs incurred in fiscal year 2012; provided, that notwithstanding any general or special law to the contrary, funds in this item shall not be available during the accounts-payable period of fiscal year 2012, and any unexpended balance in this item shall revert to the General Fund on June 30, 2012; provided further, that the secretary of administration and finance shall charge the division of unemployment assistance and other departments, authorities, agencies and divisions which have federal or other funds allocated to them for this purpose, for that portion of insurance premiums and plan costs as the secretary determines should be borne by such funds, and shall notify the comptroller of the amounts to be transferred, after similar determination, from the several state or other funds and amounts received in payment of all such charges or such transfers shall be credited to the General Fund; provided further, that funds may be expended from this item for the commonwealth's share of group insurance premium and plan costs provided to employees and retirees in prior fiscal years; provided further, that the group insurance commission shall report quarterly to the house and senate committees on ways and means the amounts expended from this item for prior year costs; provided further, that the group insurance commission shall obtain reimbursement for premium and administrative expenses from other agencies and authorities not funded by state appropriation; provided further, that the secretary of administration and finance may charge all agencies for the commonwealth's share of the health insurance costs incurred on behalf of any employees of those agencies who are on leave of absence for a period of more than 1 year; provided further, that the amounts received in payment for the charges shall be credited to the General Fund; provided further, that notwithstanding section 26 of chapter 29 of the General Laws, the commission may negotiate, purchase and execute contracts before July 1 of each year for policies of group insurance as authorized by chapter 32A of the General Laws; provided further, that notwithstanding chapter 150E of the General Laws and as provided in section 8 of said chapter 32A and for the purposes of section 14 of said chapter 32A, the commonwealth's share of the group insurance premiums for state employees who have retired before July 1, 1994, shall be 90 per cent and the commonwealth's share of the group insurance premiums for state employees who have retired on or after July 1, 1994, shall be 85 per cent; provided further, that the commonwealth's share of the group insurance premiums for active state employees hired on or before June 30, 2003 and their dependents shall be 80 per cent; provided further, that the commonwealth's share of the group insurance premiums for active state employees hired after June 30, 2003 and their dependents shall be 75 per cent; provided further, that the commonwealth's share of the group insurance premiums for active state employees who filed an application for retirement on or after August 7, 2009, and on or before October 1, 2009, for a retirement date not later than January 31, 2010, shall be 85 per cent; provided further, that the commonwealth's share of the group insurance premiums for active state employees who file an application for retirement after October 1, 2009, shall be 80 per cent until a different contribution rate is established under said section 8 of said chapter 32A; provided further, that the commission shall notify the house and senate committees on ways and means by April 1 of each year of the cost of the commonwealth's projected share of group insurance premiums for the next fiscal year; provided further, that the commission shall notify the house and

senate committees on ways and means at least 90 days prior to any changes in coverage, benefits, or the schedule of copayments and deductibles for plans, offered by the group insurance commission; provided further, that the group insurance commission may pay premium and plan costs for municipal employees and retirees who are enrolled in the group insurance commission's health plans pursuant to the commission's regulations; provided further, that the group insurance commission shall report no later than December 1, 2011 to the house and senate committees on ways and means on the premiums of enrollees of municipalities participating in the group insurance commission for fiscal years 2010 and 2011; and provided further, that such report shall include the premium reimbursement paid by each municipality per active enrollee by plan, the average employee premium contribution by plan for each municipality, estimates for the total premium per active enrollee by plan for each municipality and a comparison of the total premium estimate with the sum total of municipality reimbursement and average employee premium contribution

\$1,131,305,510